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M E M O R A N D U M

TO: Agency Finance Directors

FROM: Statewide Payroll/Accounts Payable

SUBJECT: New Mileage Rate

DATE: January 5, 2010

The 2009-2010 General Appropriations Act in Proviso 89.24.J provides for mileage reimbursements at the lesser of the standard business mileage rate established by the Internal Revenue Service or 50.5 cents per mile. We have been notified by the IRS that its rate is decreasing to 50 cents per mile effective January 1, 2010. (IRS Revenue Procedure 2009-54) Reimbursements for trips paid on or after January 1, 2010, will be subject to the new IRS rate of 50 cents per mile because it is the lesser rate.

As a reminder, the same proviso in the General Appropriations Act also directs a reimbursement rate of 4 cents per mile less than the standard business mileage rate when an employee chooses to use his or her personal vehicle when a motor pool vehicle is reasonably available. This rate will change to 46 cents per mile for reimbursement payments made on or after January 1, 2010.

If you have any questions regarding this, please contact our office at 734-2124.